Appendix E: World Bank Sector Codes

We include dummy variables in each of our estimations for twelve different sectors (excluding the thirteenth sector) as categorized by the World Bank: 1) education, 2) health, 3) water supply and sanitation, 4) government and civil society, 5) infrastructure, 6) transport and storage, 7) communications, 8) energy, 9) banking, financial and business services, 10) agriculture and forestry, 11) industry, 12) mineral resources, mining and construction, 13) general environment, multisector & unspecified. Forestry, business, construction, general environment and unspecified are coded individually by the World Bank, but because there were less than five projects in each of the sectors, we included them in more general categories.

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|  | Appendix F | | | | | | | |
|  | Equation (1) by Various Model Specifications | | | | | | | |
| Dependent Variable: Compliance | | |  |  |  |  |  |  |
|  | | (1) | (2) | (3) | (4) | (5) | (6) |  |
|  | | Instrumental Variables | GLM | Cold War | Interaction | FDI-Squared | FDI Difference |  |
| FDI/GDP | | 0.156\*\*\* |  |  |  |  |  |  |
| Instrumented | | (0.0596) |  |  |  |  |  |  |
| FDI/GDP | |  | 0.189\*\*\* | 0.172\*\* | 0.144\* | 0.206\* | 0.230\*\* |  |
|  | |  | (0.0729) | (0.0834) | (0.0844) | (0.123) | (0.106) |  |
| Mineral Rents/GDP | | -0.143\*\*\* | -0.187\*\*\* | -0.160\*\*\* | -0.234\*\*\* | -0.159\*\*\* | -0.238\*\*\* |  |
|  | | (0.0551) | (0.0711) | (0.0614) | (0.0820) | (0.0611) | (0.0835) |  |
| Colony | | -0.358\*\* | -0.450\*\*\* | -0.475\*\*\* | -0.489\*\*\* | -0.501\*\*\* | -0.379\* |  |
|  | | (0.166) | (0.127) | (0.179) | (0.176) | (0.177) | (0.211) |  |
| Alliance | | 0.00327 | -0.0449 | -0.0559 | -0.0325 | -0.0349 | -0.0126 |  |
|  | | (0.167) | (0.149) | (0.181) | (0.179) | (0.180) | (0.216) |  |
| GDP Per Capita | | -0.142 | -0.204\*\* | -0.257\*\* | -0.230\*\* | -0.235\*\* | -0.141 |  |
|  | | (0.105) | (0.0820) | (0.111) | (0.110) | (0.111) | (0.127) |  |
| Infant Mortality | | -0.0258\*\*\* | -0.0218\*\*\* | -0.0327\*\*\* | -0.0313\*\*\* | -0.0305\*\*\* | -0.0266\*\*\* |  |
|  | | (0.00618) | (0.00453) | (0.00620) | (0.00612) | (0.00616) | (0.00702) |  |
| Political Constraints | | 0.554\*\* | 0.658\*\* | 0.619\*\* | 0.633\*\* | 0.657\*\* | 0.524 |  |
|  | | (0.277) | (0.269) | (0.290) | (0.290) | (0.290) | (0.323) |  |
| Population (log) | | 0.0239 | -0.0225 | 0.0381 | 0.0431 | 0.0408 | 0.0896 |  |
|  | | (0.0455) | (0.0467) | (0.0491) | (0.0484) | (0.0486) | (0.0620) |  |
| Project Duration | | -0.0977\*\*\* | -0.0933\*\*\* | -0.0930\*\*\* | -0.0935\*\*\* | -0.0940\*\*\* | -0.0892\*\*\* |  |
|  | | (0.0177) | (0.0320) | (0.0182) | (0.0182) | (0.0182) | (0.0198) |  |
| Total Project | | 0.0864 | 1.125 | 0.161 | 0.156 | 0.154 | 0.179 |  |
| Disbursement (log) | | (0.148) | (0.765) | (0.154) | (0.154) | (0.153) | (0.157) |  |
| FDI-Rents Interaction | |  |  |  | 0.0514 |  |  |  |
|  | |  |  |  | (0.0365) |  |  |  |
| FDI-Squared | |  |  |  |  | -0.0181 |  |  |
|  | |  |  |  |  | (0.0427) |  |  |
| FDI-Predicted v. Actual | |  |  |  |  |  | -0.0549\* |  |
|  | |  |  |  |  |  | (0.0306) |  |
| Constant | | 1.943 | 1.852 | 2.405\* | 2.322\* | 2.422\* | 0.991 |  |
|  | | (1.300) | (1.249) | (1.345) | (1.339) | (1.343) | (1.643) |  |
| Random Effects Parameters | | |  |  |  |  |  |  |
| Country | | 0.602\*\*\* |  | 0.639\*\*\* | 0.620\*\*\* | 0.628\*\*\* | 0.685\*\*\* |  |
|  | | (0.078) |  | (0.081) | (0.080) | (0.080) | (0.096) |  |
| Year | | 0.516\*\*\* |  | 0.527\*\*\* | 0.530\*\*\* | 0.526\*\*\* | 0.464\*\*\* |  |
|  | | (0.104) |  | (0.111) | (0.110) | (0.111) | (0.127) |  |
| Observations | | 3966 | 1322 | 3704 | 3687 | 3687 | 3030 |  |
| Log Likelihood (P) | | -2104.9 (0) | -439.5 (0) | -1965.1 (0) | -1951.0 (0) | -1951.9 (0) | -1617.7 (0) |  |

Robust standard errors in parentheses; \* p<0.10, \*\* p<0.05, \*\*\* p<.01

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| Appendix G | | | |
| Equation (1) by Mixed Effects Logistic Regression | | | |
| Dependent Variable: Compliance | |  |  |
|  | (1) | (2) | (3) |
|  | Population | Affinity | FDI Flows |
| FDI/Pop | 0.215\*\* |  |  |
|  | (0.106) |  |  |
| Mineral Rents/Pop | -0.154\*\* |  |  |
|  | (0.0681) |  |  |
| FDI/GDP |  | 0.151\* |  |
|  |  | (0.0835) |  |
| Mineral Rents/GDP |  | -0.137\*\* | -0.175\*\*\* |
|  |  | (0.0607) | (0.0620) |
| FDI Flows/GDP |  |  | 0.133\*\* |
|  |  |  | (0.0607) |
| Colony | -0.461\*\*\* |  | -0.385\*\* |
|  | (0.178) |  | (0.171) |
| Alliance | -0.0179 |  | 0.00703 |
|  | (0.182) |  | (0.177) |
| GDP Per Capita | -0.281\*\* | -0.232\*\* | -0.185\* |
|  | (0.123) | (0.111) | (0.106) |
| Infant Mortality | -0.0318\*\*\* | -0.0314\*\*\* | -0.0302\*\*\* |
|  | (0.00623) | (0.00620) | (0.00604) |
| Political Constraints | 0.703\*\* | 0.663\*\* | 0.601\*\* |
|  | (0.291) | (0.295) | (0.286) |
| Population (log) | 0.0403 | 0.0714 | 0.0392 |
|  | (0.0494) | (0.0509) | (0.0478) |
| Project Duration | -0.0943\*\*\* | -0.0908\*\*\* | -0.0943\*\*\* |
|  | (0.0182) | (0.0184) | (0.0181) |
| Total Project | 0.154 | 0.141 | 0.146 |
| Disbursement (log) | (0.154) | (0.153) | (0.153) |
| Affinity Score |  | 0.287\*\* |  |
|  |  | (0.126) |  |
| Constant | 2.729\*\* | 1.750 | 1.985 |
|  | (1.387) | (1.343) | (1.327) |
| Random Effects Parameters | |  |  |
| Country | 0.642\*\*\* | 0.648\*\*\* | 0.610\*\*\* |
|  | (0.081) | (0.081) | (0.081) |
| Year | 0.534\*\*\* | 0.523\*\*\* | 0.520\*\*\* |
|  | (0.110) | (0.112) | (0.111) |
| Observations | 3687 | 3648 | 3718 |
| Log Likelihood (p-score) | -1952.7 (0) | -1932.4 (0) | -1969.2 (0) |

Robust standard errors in parentheses; \* p<0.10, \*\* p<0.05, \*\*\* p<.01

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| Appendix H  Equation (1) by Mixed Effects Logistic Regression | | | | |
| Dependent Variable: Compliance | |  |  |  |
|  | (1) | (2) | (3) | (4) |
|  | Democracy | DPL | Financial Crisis | Foreign Aid |
| FDI/GDP | 0.167\*\* | 0.171\*\* | 0.168\*\* | 0.208\*\* |
|  | (0.0832) | (0.0830) | (0.0832) | (0.0872) |
| Mineral Rents/GDP | -0.162\*\*\* | -0.159\*\*\* | -0.159\*\*\* | -0.137\*\* |
|  | (0.0616) | (0.0610) | (0.0616) | (0.0640) |
| Colony | -0.500\*\*\* | -0.504\*\*\* | -0.490\*\*\* | -0.453\*\* |
|  | (0.179) | (0.177) | (0.180) | (0.184) |
| Alliance | -0.0329 | -0.0377 | -0.0426 | -0.0478 |
|  | (0.182) | (0.180) | (0.182) | (0.185) |
| GDP Per Capita | -0.234\*\* | -0.239\*\* | -0.240\*\* | -0.258\*\* |
|  | (0.111) | (0.111) | (0.112) | (0.119) |
| Infant Mortality | -0.0308\*\*\* | -0.0317\*\*\* | -0.0309\*\*\* | -0.0293\*\*\* |
|  | (0.00616) | (0.00616) | (0.00615) | (0.00633) |
| Political Constraints | 0.650\*\* | 0.668\*\* | 0.646\*\* | 0.623\*\* |
|  | (0.319) | (0.290) | (0.291) | (0.296) |
| Population (log) | 0.0404 | 0.0380 | 0.0412 | 0.0272 |
|  | (0.0488) | (0.0486) | (0.0488) | (0.0609) |
| Project Duration | -0.0939\*\*\* | -0.0676\*\*\* | -0.0936\*\*\* | -0.0998\*\*\* |
|  | (0.0182) | (0.0219) | (0.0182) | (0.0188) |
| Total Project | 0.155 | 0.131 | 0.151 | 0.196 |
| Disbursement (log) | (0.153) | (0.151) | (0.154) | (0.161) |
| Democracy | 0.00224 |  |  |  |
|  | (0.162) |  |  |  |
| Dev. Policy Loan |  | 0.372\*\* |  |  |
|  |  | (0.170) |  |  |
| Financial Crisis |  |  | 0.106 |  |
|  |  |  | (0.287) |  |
| Total Foreign Aid |  |  |  | -329.9 |
|  |  |  |  | (927.5) |
| Constant | 2.408\* | 2.083 | 2.413\* | 2.708\* |
|  | (1.349) | (1.350) | (1.346) | (1.559) |
| Random Effects Parameters |  |  |  |  |
| Country | 0.629\*\*\* | 0.628\*\*\* | 0.630\*\*\* | 0.637\*\*\* |
|  | (0.080) | (0.080) | (0.080) | (0.084) |
| Year | 0.528\*\*\* | 0.523\*\*\* | 0.529\*\*\* | 0.489\*\*\* |
|  | (0.111) | (0.112) | (0.111) | (0.115) |
| Observations | 3687 | 3684 | 3687 | 3375 |
| Log Likelihood (p-score) | -1952.0 (0) | -1948.8 (0) | -1951.9 (0) | -1822.9 (0) |

Robust standard errors in parentheses; \* p<0.10, \*\* p<0.05, \*\*\* p<.01